



PACIFIC FOREST TRUST

September 1, 2015

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Submitted Electronically

RE: Comments on the Draft Concept Paper for the California Climate Investments Triennial Plan

Thank you for the opportunity to provide feedback on the Draft Concept Paper for the California Climate Investments Triennial Plan. Pacific Forest Trust is pleased to provide these comments. We also support the joint comments submitted by the Natural and Working Lands Coalition.

Investments in forests and other natural lands should achieve net reductions that persist in their benefits, as investments in other sectors do. To ensure this, we urge the Administration to follow these key principles:

- 1) Focus on achieving lasting benefits that can be relied on. Our children should benefit from these investments, even as we shall currently. Investments should achieve both near term and long term reductions, such as by restoring our forests and maintaining them in a resilient, carbon-rich condition. This is an endeavor that will persist beyond our lifetimes; investments should be planned and secured appropriately. As we are making investments in natural lands we should ask: "What will this look like in 2050? In 2100?"
- 2) Coordinate investment programs closely between complementary departments, most notably CalFire and DFW in the forest and other natural/working lands sectors. Forest management has a profound impact on wildlife and fish habitat, and DFW investments in mountain meadows generally happen in forested watersheds.
- 3) Invest in actions which restore and maintain more natural system structure, species, and age composition to promote resilience and adaptation. Well-functioning natural systems are more resilient to stress, such as climate change. More simplified, homogenous systems, such as single species- and age-structure forest, are more vulnerable to stress and reduced function.

Focus on the Long Term:

California's forests are amongst the most productive and diverse in the world. However, many of them, and especially those in areas key to state water supplies, are

currently in relatively bad shape. Past management practices have led to landscapes dominated by younger, even-age, fire-suppressed conditions with many forests unnaturally dense and lacking the large trees and other elements that contribute to a healthy, well functioning watershed. These forests are more prone to intense fires and other disturbances than healthier, more diverse, more natural forests. They also store substantially less carbon than older, more natural forests.

We are pleased that the draft concept paper recognizes the need for significant near-term investments in the forest sector. These investments should, over time, both restore our forests to the more natural level of carbon stock that such forests can hold, and maintain that carbon in older, multi-age stands with larger trees. We have to plan for our long-term forest goals in order to achieve these conditions and the lasting benefits they bring. Because of the long-term nature of efforts to restore well-functioning forests, we must ensure that investments be coupled with a mechanism to maintain the desired improved condition.

On private land, working forest conservation easements (WFCEs) can require the attainment of target forest conditions that achieve the state's climate resilience and GHG reduction goals. These WFCEs ensure the desired future condition for carbon reductions and multiple other public benefits such as watershed and habitat functions. When WFCEs are monitored in perpetuity by qualified land trusts, the land trusts ensure public benefit from the investment, without creating an ongoing cost burden for the state. While there may be other mechanisms like 99 year contracts with rolling options to renew, WFCEs will be the most cost effective way to ensure these outcomes.

Easements that include terms that conserve and restore older, diverse, more carbon-rich forests play a vital role in shifting the economics of the forest management business. The prevailing "business as usual" for forest owners is to maximize short-term economic returns by harvesting trees as soon as they reach a minimum size for the mill. Management that yields large old trees with greater value for climate and wildlife comes at a real and quantifiable cost to the landowner because it involves deferring some or all logging for a period. Working forest conservation easements quantify the lost present value to the landowner, and provide a compensation mechanism for the landowner's commitment to permanently shift management for greater public benefit. In this way WFCEs act as a sort of "bridge funding" to buy the time for landowners to move from managing for minimum legal requirements to managing for maximum climate benefits.

In our experience, WFCEs in actively managed mixed conifer forests that include meaningful terms to increase carbon stocks, improve habitat quality, and enhance climate resilience have an appraised value of about \$800-1,000 per acre and result in net carbon emissions reductions at about \$6-8/ton.

Carefully coordinate resource investments to maximize co-benefits:

Designing and implementing actions and investments to increase carbon and improve resilience on forestlands requires an interdisciplinary, cross-departmental approach. Forests are home to many threatened and endangered species, held in trust and managed by the Department of Fish and Wildlife. Forests are the source of most of California's water supply, a responsibility of the Department of Water Resources. And of course the Department of Forest and Fire Protection is responsible for permitting timber harvest and managing fires.

Investments to date have been very "siloe" – there is much room for improvement in cross-departmental coordination. Presumably the Forest Carbon Plan will help facilitate this coordination, though we are likely to see at least two additional Expenditure Plans approved by the Legislature (14-15 and 15-16) before the FCP is completed. Greater coordination between DFW and CalFire, as well as with other investments and actions lower in the watersheds, needs to occur immediately.

Both the CalFire and the DFW existing investment programs would benefit from increasing the focus on ecological systems. DFW's existing program for investing in Mountain Meadows does not incorporate a focus on the health of the forest that surrounds and influences the meadows. And CalFire's multiple grant programs would benefit from the ecological expertise of DFW, which is much better resourced to help ensure that forest actions and investments are facilitating wildlife adaptation as envisioned in the Safeguarding California plan.

Invest in natural resilience and enduring gains:

Forests store carbon in dynamic processes that accrue carbon over time. There is natural variability—such as mortality from pests, disease and fire—that is unpredictable at any given time or location, but will occur over time and the landscape. Forests have experienced that natural variability for eons, and continued to store more and more carbon overall in the landscape throughout these natural processes. Ecological science strongly demonstrates that the more natural a system is, the more resilient it is. Our investments and management decisions should focus on restoring more natural function to forests and other natural and working lands (such as wetlands and grasslands) because this will restore greater levels of carbon, and store it in more resilient fashion.

We very much appreciate the open process that is being used to update the triennial investment plan, and look forward to reviewing the draft plan later this year.

Warmly,



Laurie Wayburn
President & Co-CEO